

What is FBA and Why Should You Use it?

There are two different types of order fulfilment on Amazon.

FBA – Fulfilment by Amazon

FBM – Fulfilment by Merchant

FBM simply means that you are in charge of packing and shipping your orders. You are also in charge of handling any refunds or returns. As a new seller, this would probably mean keeping your stock at your home, packaging and mailing out orders yourself, and receiving any returned items.

FBA mean that Amazon does it all for you. They also handle any returns or refunds. FBA is by far the best way to go and here's why:

- 1.** It's difficult to grow your business if you are caught up in the daily grind of packing and mailing customer orders.
- 2.** Amazon sets its standards high as far as shipping and delivery are concerned. If you do not adhere to those standards, you will be penalized. Even one late customer order can cause a problem. Amazon also keep customers updated as to when their order has shipped etc. If you fulfil orders yourself, you will also be expected to communicate with customers regarding order dispatch and more.
- 3.** If you use FBA, your product will show on the Amazon website as a 'Prime' listing. Amazon has a huge number of customers who are enrolled in the 'Prime' program. These customers pay a fee each year which entitles them to free and faster shipping options, among other things. Therefore these customers are much more likely to buy products that are listed as Prime. In fact Prime customers will often ONLY buy Prime eligible products.
- 4.** Buyers on the Amazon website feel more confident in purchasing products that are actually shipped to them by Amazon as opposed to shipped out by the third party merchants (us).
- 5.** There is a general opinion among savvy Amazon sellers, that products using the FBA service are given a little more 'weight' in the listings. In other words they are given some degree of preference over non-FBA products.

Note: In the past, you would have needed to register for FBA before you were able to use it. However, now, every seller is automatically registered for FBA by default.